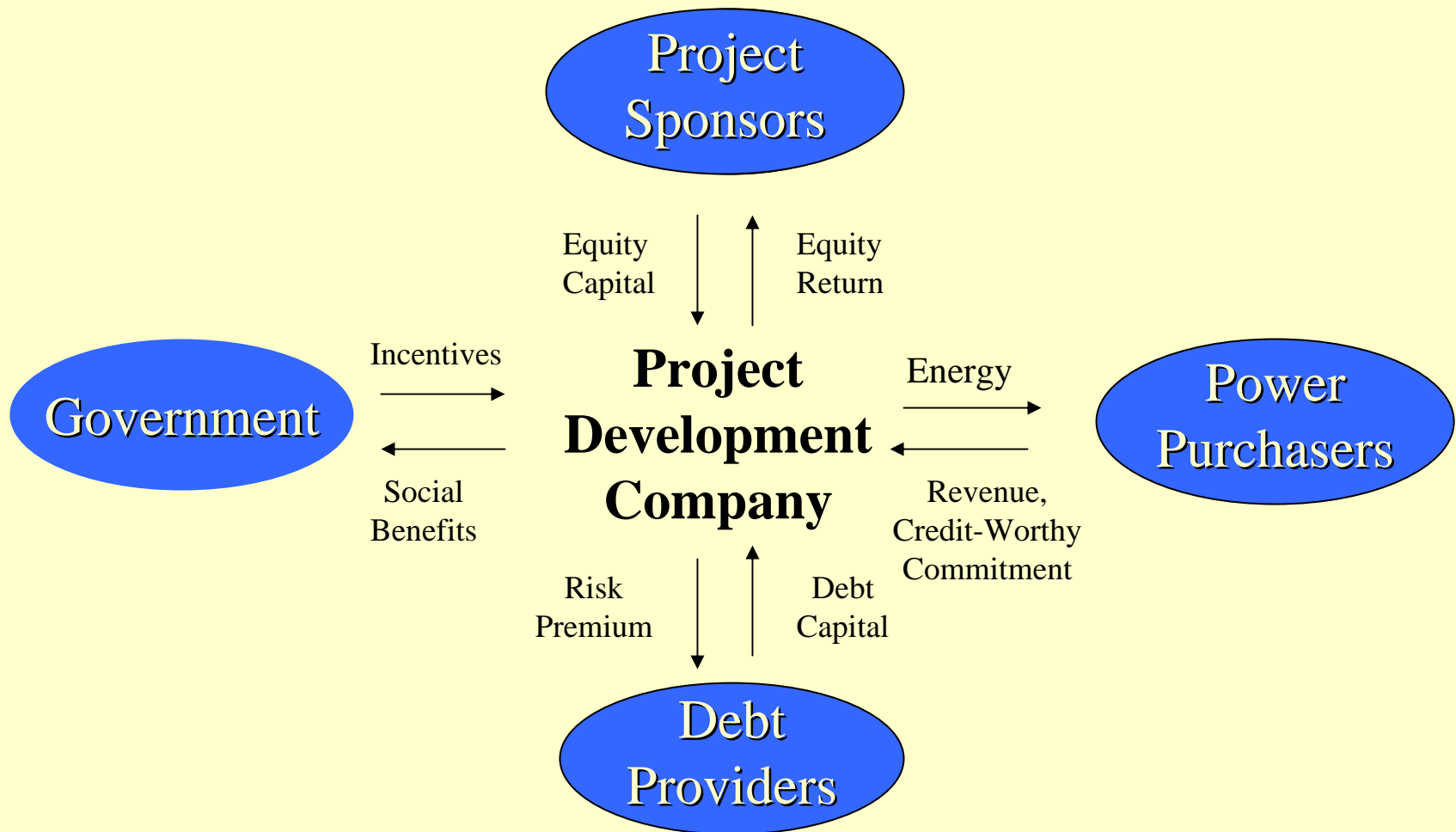


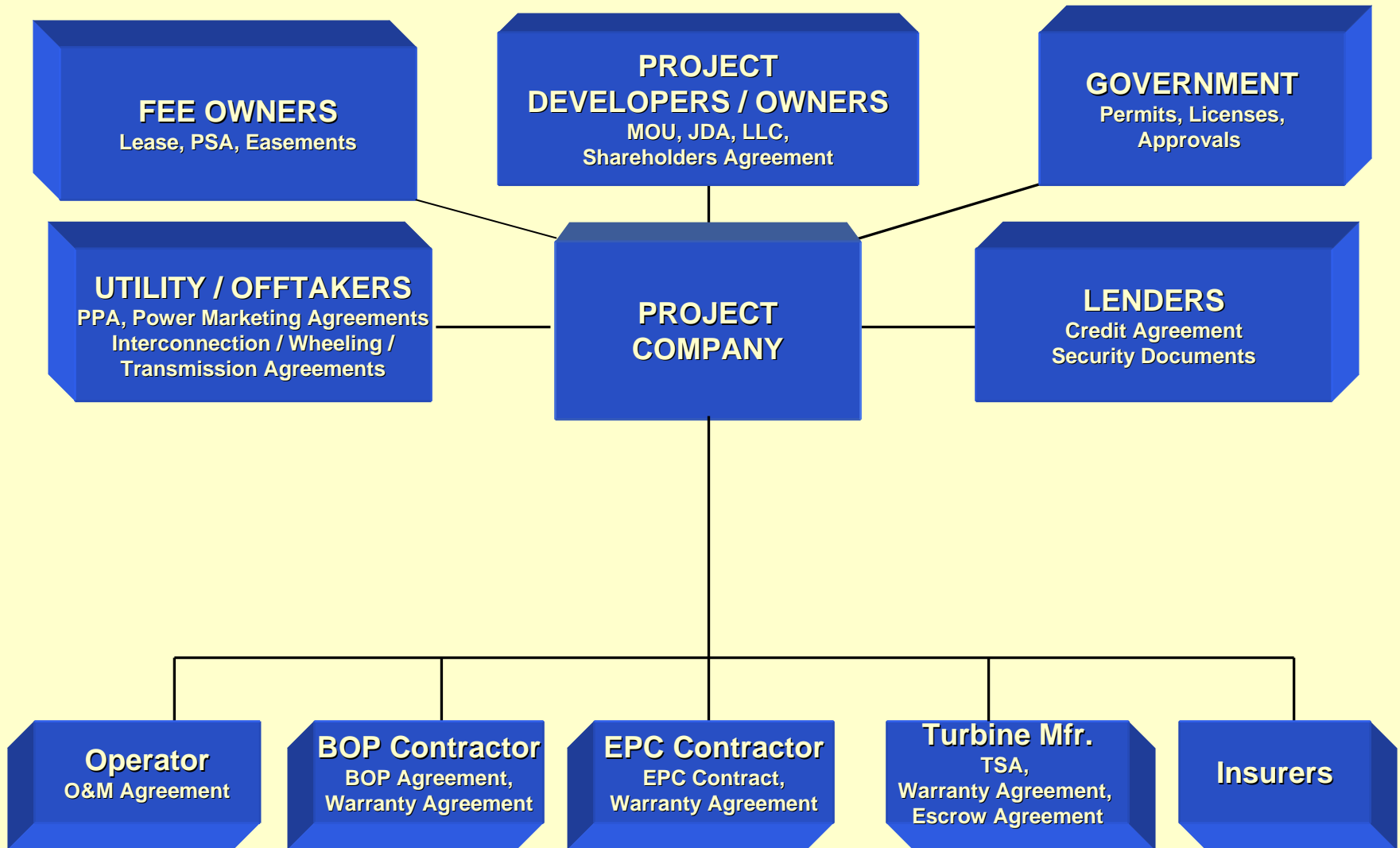
PROJECT STRUCTURING AND FINANCE

Colorado Wind and Distributed Energy Conference

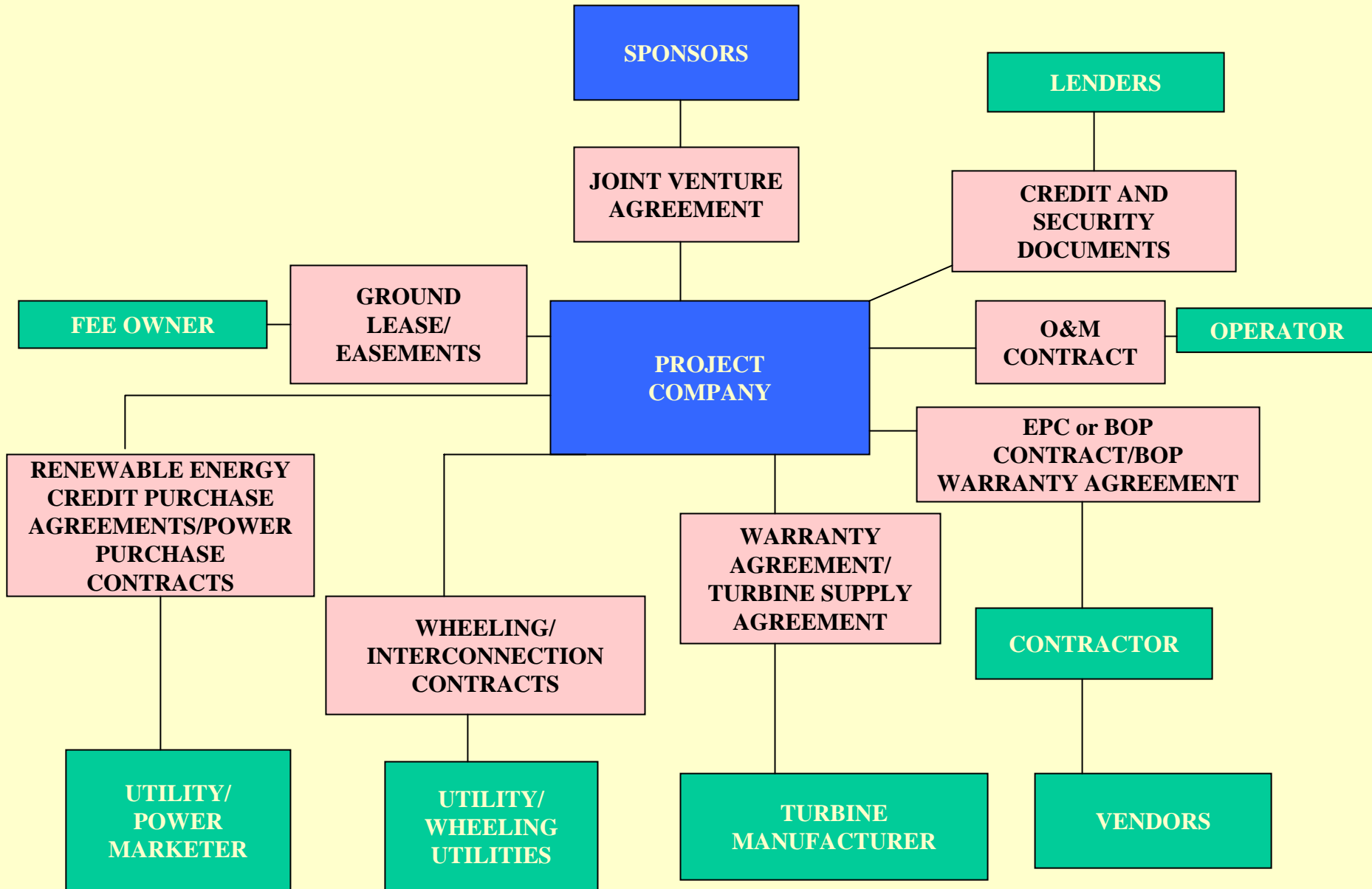
The Elements of Wind Project Finance



TYPICAL PROJECT STRUCTURE



PROJECT FINANCE CONTRACTS



Project Documentation Objectives

- Establish a complete and fully integrated legal and contractual infrastructure
- Define parties, relationships and responsibilities
- Allocate risks
- Provide a basis for financing

Project Finance Characteristics

- Special Purpose Entity
- “High” leverage, “long” term
- Credit Supported by Contract and Project Assets
- Limited or non-recourse

Sponsor/Lender Risk Considerations

- Development Risk
 - Site
 - Permits
 - Environmental
 - Archaeological
- Completion Risk
 - Supply
 - Construction
 - Force Majeure

Sponsor/Lender Risk Considerations

- Operational Risk
 - Technology
 - Management
 - Revenue
 - Wind
- Exit Considerations

Selected Integration Issues

- Development/Construction Milestones
- Testing
- Interconnection
- Force Majeure
- Operations review/supervision
- “Commercial Operations”